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AT 8:30
WILLIAM T. WARD SR.
CLERK

12:40pm

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 07- 788(MLC)
 :
 v. :
 :
 RICHARD BANACH, : 18 U.S.C. §§ 1028, 1344,
 ALNEATHA RENEE BARKSDALE, : 1349, & 2.
 WILLIAM MCMILLAN, and :
 KEVIN WARD :

S U P E R C E D I N G I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
 sitting in Trenton, charges:

COUNT 1

(Conspiracy to Commit Bank Fraud)

Background

1. At all times relevant to this Indictment:
 - a. RICHARD BANACH was a mortgage broker operating out of North Shore Financial, Inc., located in Glen Head, New York.
 - b. ALNEATHA RENEE BARKSDALE resided at 4 Kolb Avenue, Sayreville, New Jersey, a property she owned jointly with E.B.
 - c. WILLIAM MCMILLAN and KEVIN WARD were residents of New York.
 - d. Chase Mortgage and ABN AMRO Mortgage Group, Inc. were financial institutions, as defined in Title 18, United States Code, Section 20.
2. From in or about January 2001, to in or about September 2006, in the District of New Jersey and elsewhere, defendants

RICHARD BANACH,
ALNEATHA RENEE BARKSDALE,
WILLIAM MCMILLAN, and
KEVIN WARD,

and others, knowingly and willfully conspired and agreed with each other and with others, to execute and attempt to execute a scheme and artifice to defraud a financial institution and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, by means of false and fraudulent pretenses, representations, and promises, as set forth below, contrary to Title 18, United States Code, Sections 1344.

Object of the Conspiracy

3. It was the object of the conspiracy for the defendants RICHARD BANACH, ALNEATHA RENEE BARKSDALE, E.B., and others to obtain funds from various financial institutions, including, but not limited to, Chase Mortgage and ABN AMRO Mortgage Group, Inc., by staging fictitious sales of properties owned by defendant ALNEATHA RENEE BARKSDALE and E.B. to individuals purporting to be legitimate buyers, including WILLIAM MCMILLAN and KEVIN WARD, fraudulently acquiring residential mortgages to purchase the properties in the names of the purported buyers, and thereafter misappropriating the proceeds of the residential mortgages.

Manner and Means

4. It was a part of the conspiracy that defendants RICHARD BANACH and E.B. and others staged fake sales of properties owned by ALNEATHA RENEE BARKSDALE and E.B. located at 3519 Snyder Avenue, Brooklyn, New York; 34 Oakland Place, Brooklyn, New York; and 4 Kolb Avenue, Sayreville, New Jersey to individuals purporting to be legitimate buyers, including defendants WILLIAM MCMILLAN and KEVIN WARD.

5. It was further a part of the conspiracy that defendant RICHARD BANACH arranged for residential mortgage loans to be fraudulently secured from Chase Mortgage and ABN AMRO Mortgage Group, Inc. in the names of the fake purchasers to finance the supposed purchase of properties.

6. It was further a part of the conspiracy that defendant RICHARD BANACH and E.B. recruited individuals including WILLIAM MCMILLAN and KEVIN WARD to act as the purported buyers at the time of the sale.

7. It was further a part of the conspiracy that defendant RICHARD BANACH provided false identification documents, employment records, and other paperwork in the names of the purported buyers for use in the applications for fraudulent residential mortgages, and in the transactions required to complete the fraudulent sales of the properties.

8. It was further a part of the conspiracy that defendants RICHARD BANACH, ALNEATHA RENEE BARKSDALE, and E.B. received money and other benefits from the residential mortgage loans at the time of the fraudulent sales of the properties.

9. It was further a part of the conspiracy that although title in the property was placed in the name of the purported buyer, E.B. made payments towards the mortgage loans after the fictitious sales.

Overt Acts

10. In furtherance of the conspiracy and to effect its unlawful object, defendants RICHARD BANACH, ALNEATHA RENEE BARKSDALE, WILLIAM MCMILLAN, and KEVIN WARD, and others, committed and caused to be committed the following overt acts in the District of New Jersey and elsewhere:

a. On or about January 8, 2001, defendant RICHARD BANACH and E.B. staged a fraudulent sale of the property owned by E.B. and ALNEATHA RENEE BARKSDALE located at 3519 Snyder Avenue, Brooklyn, New York, to an individual using the name "D.C." for approximately \$240,000.00.

b. On or about January 8, 2001, defendant RICHARD BANACH arranged for an approximately \$196,000.00 mortgage from Chase Mortgage in the name of D.C. to fund the fictitious purchase of 3519 Snyder Avenue from defendant ALNEATHA RENEE BARKSDALE and E.B.

c. On or about January 8, 2001, defendant RICHARD BANACH and E.B. attended the closing of the sale of 3519 Snyder Avenue at which E.B. presented documents identifying E.B. as the supposed purchaser, D.C.

d. On or about January 8, 2001, defendants RICHARD BANACH, ALNEATHA RENEE BARKSDALE, and E.B. received funds from the approximately \$196,000.00 Chase mortgage during the closing of the sale of the Snyder Avenue property.

e. On or about January 8, 2001, E.B. directed \$129,000.00 of the closing funds to pay off an existing mortgage on 3519 Snyder Avenue in the names of defendant ALNEATHA RENEE BARKSDALE and E.B.

f. Between April 2001 and July 2004, E.B. made at least eight payments toward the \$196,000 Chase Mortgage in the name of "D.C."

g. On or about August 26, 2002, defendant RICHARD BANACH and E.B. staged a fraudulent sale of the property owned by ALNEATHA RENEE BARKSDALE and E.B. at 34 Oakland Place, Brooklyn, New York, to an individual using the name "R.P.," for approximately \$310,000.00.

h. On or about August 26, 2002, defendant RICHARD BANACH arranged for an approximately \$255,200.00 loan from ABN AMRO Mortgage Group, Inc. in the name of R.P. to fund the supposed

purchase of 34 Oakland Place from defendant ALNEATHA RENEE BARKSDALE and E.B.

i. On or about August 26, 2002, defendants RICHARD BANACH and KEVIN WARD, and E.B. attended the sale closing for 34 Oakland Place at which defendant KEVIN WARD presented documents identifying him as the purported buyer, R.P.

j. On or about August 26, 2002, defendant KEVIN WARD signed a Uniform Residential Loan Application in the name R.P., asserting that he would make 34 Oakland Place his primary residence.

k. On or about August 26, 2002, defendant KEVIN WARD received cash for attending the closing and signing documents in the name R.P.

l. On or about August 26, 2002, defendants RICHARD BANACH, and ALNEATHA RENEE BARKSDALE, and E.B. received funds from the approximately \$255,200.00 ABN AMRO mortgage during the closing of the sale of the Oakland Place property.

m. On or about August 26, 2002, E.B. directed approximately \$153,000.00 from the ABN AMRO loan proceeds to pay an existing mortgage in the names of defendant ALNEATHA RENEE BARKSDALE and E.B. on two properties at 34 Oakland Place and 4 Kolb Avenue.

n. From in or about November 2004 to in or about July 2005, E.B. made at least six payments towards the \$255,500.00 ABN AMRO mortgage in the name R.P.

o. On or about February 14, 2003, defendant RICHARD BANACH and E.B. staged a fraudulent sale of the property owned by E.B. and ALNEATHA RENEE BARKSDALE located at 4 Kolb Avenue, Sayreville, New Jersey, to an individual using the name "D.B." for approximately \$400,000.00.

p. On or about February 14, 2003, defendant RICHARD BANACH arranged a \$320,000.00 loan in the name of D.B. from ABN AMRO Mortgage Group, Inc. to fund the supposed purchase of 4 Kolb Avenue from defendant ALNEATHA RENEE BARKSDALE and E.B.

q. On or about February 14, 2003, defendants RICHARD BANACH, ALNEATHA RENEE BARKSDALE, WILLIAM MCMILLAN, and E.B. attended the sale closing for 4 Kolb Avenue at which defendant WILLIAM MCMILLAN presented documents identifying him as D.B.

r. On or about February 14, 2003, defendant WILLIAM MCMILLAN signed a Uniform Residential Loan Application in the name D.B. asserting that he would make 4 Kolb Avenue his primary residence.

s. On or about February 14, 2003, defendants RICHARD BANACH and ALNEATHA RENEE BARKSDALE, and E.B. received funds from the approximately \$320,000.00 ABN AMRO mortgage.

t. On or about February 14, 2003, E.B. directed \$213,000.00 of the loan proceeds to pay an existing mortgage on 4 Kolb Avenue in the names of defendant ALNEATHA RENEE BARKSDALE and E.B.

u. From on or about April 15, 2003, through on or about June 5, 2003, E.B. directed approximately \$70,000.00 of the loan proceeds to purchase a Bentley automobile.

v. From on or about February 14, 2003, through in or about August 2007, defendant ALNEATHA RENEE BARKSDALE continued to reside at 4 Kolb Avenue.

w. From in or about June 2003 through in or about August 2003, E.B. made at least three payments towards the \$320,000.00 ABN AMRO Mortgage in the name D.B.

x. On or about February 19, 2004, defendant RICHARD BANACH requested an appraisal of 4 Kolb Avenue for a second fictitious sale of the property from D.B. to R.P., listing former owner E.B. as the realtor handling the purported transaction.

y. On or about September 13, 2006, following a default on the approximately \$320,000.00 ABN AMRO mortgage in the name of D.B. for the property located at 4 Kolb Avenue, defendant ALNEATHA RENEE BARKSDALE challenged foreclosure proceedings claiming she resided at 4 Kolb Avenue as a tenant of D.B.

In violation of Title 18, United States Code, Section 1349.

COUNT 2

(Bank Fraud)

1. Paragraphs 1 and 3 through 10 of Count 1 of this Indictment are hereby realleged and incorporated as though set forth in full herein.

2. On or about February 14, 2003, in the District of New Jersey and elsewhere, defendants

RICHARD BANACH,
ALNEATHA RENEE BARKSDALE,
and
WILLIAM MCMILLAN,

and others did knowingly execute and attempt to execute a scheme and artifice to defraud a financial institution and to obtain moneys, funds, credits, assets, securities and other properties owned by, or under the custody and control of, a financial institution by means of false pretenses, representations, and promises, namely by obtaining an approximately \$320,000.00 loan from ABN AMRO Mortgage Group in the name of D.B. for the supposed purchase of 4 Kolb Avenue, Sayreville, New Jersey, from defendant ALNEATHA RENEE BARKSDALE and E.B., based on falsified documents asserting, among other things that D.B. would take ownership of the property at 4 Kolb Avenue, was a resident of New York, was employed by "Back on Track Housing" located at 3519 Snyder Avenue, and had over \$100,000.00 in an account at Carver Federal Bank.

In violation of Title 18, United States Code, Sections 1344 and 2.

Count 3

(Conspiracy to Commit Identity Theft)

1. Paragraphs 1, 3 through 9, and 10o through 10y, of Count 1 of this Indictment are hereby realleged and incorporated as though set forth in full herein.

2. On or about February 14, 2003, defendants

RICHARD BANACH,
and
WILLIAM MCMILLAN,

and others, did knowingly conspire to transfer, possess, and use, without lawful authority, a means of identification of another person, specifically the name of Florida resident D.B., with the intent to commit, and to aid and abet, and in connection with, any unlawful activity that constitutes a violation of Federal law, namely, bank fraud, contrary to Title 18, United States Code, Section 1344.

In violation of Title 18, United States Code, Section 1028(f) and 1028(a)(7).


CHRISTOPHER J. CHRISTIE
UNITED STATES ATTORNEY

CASE NUMBER: _____

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

RICHARD BANACH, ALNEATHA RENEE BARKSDALE, WILLIAM MCMILLAN,
& KEVIN WARD

SUPERCEDING INDICTMENT FOR

18 U.S.C. § 1028, 1344, 1349 & 2

A True Bill,

Foreperson

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